

# **New Hampshire Department of Revenue Administration**

## **Fiscal Note Quick Guide**

12-2566.0

**HB 1302-FN**, *relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.*

House Ways & Means Committee

### **Section 1 and 2**

Section 1 of this bill amends RSA 21-J:32, the Penalty for Underpayment of Estimated Taxes, by changing the term “taxable year” to “taxable period” and including a definition of the term “taxable period” for that section of the statute.

The changes to RSA 21-J:32 clarify the statute with respect to the penalty for underpayment of estimated tax for tax periods that are less than a full calendar or fiscal year.

Section 2 of this bill makes the proposed changes to RSA 21-J:32 applicable to taxable periods beginning on or after July 1, 2012. As a practical matter, for tax administration purposes, the Department suggests that the applicability date be changed to reflect a full calendar year. For example, “This act shall apply for taxable periods ending on or after December 31, 2012.”

Although these proposed changes are for the benefit of the taxpayer, because RSA 21-J:32 is a penalty statute, the Department is unable to determine how many taxpayers would be affected by the proposed changes.

### **Section 3**

Section 3 of this bill would allow the Department of Revenue Administration to annually equalize the valuation of property which is subject to tax relief under RSA ch. 79-E, Community Revitalization Tax Relief Incentive. Without annual equalization, any shared common tax burden (county, state education, shared local school) would not be fairly apportioned at market value.

These laws could be administered by the Department of Revenue Administration without any additional cost.